



June 27, 2011

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551
Email: regs.comments@federalreserve.gov

RE: Margin and Capital Requirements for Covered Swap Entities
Docket No. R-1415 and RIN 7100 AD74

Dear Ms Johnson:

Peoples Bank is a community bank that lends to small businesses and consumers in Iowa, South Dakota and Minnesota. Peoples Bank agrees with the views expressed by Pacific Coast Bankers' Bancshares in its June 22, 2011 letter submitted to your agency regarding the margin and capital requirements for covered swap entities

Our community bank with \$350,000,000 in assets has used interest rate swaps successfully to help our clients minimize long term interest rate risk. The swaps allow the bank to mitigate the dangers of long term interest rate risk on our bank. These products have been a win/win for us and our client. As PCBB's letter states, we at Peoples Bank would probably discontinue this product offering if the proposed changes are adopted.

Sincerely,

Joe D. Van Tol
CEO

JVT:rp

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